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SUBJECT: GOB APPEALS TO EU TO STOP "SPIRAL OF PRESSURE"

Classified By: AMBASSADOR GEORGE KROL FOR REASONS 1.4 (B,D)

¶1. (C) SUMMARY: The Lithuanian Ambassador to Belarus gave U.S. Ambassador copies of three letters from Belarusian Minister of Foreign Affairs Sergey Martynov to: Javier Solana, High Representative for the Common Foreign and Security Policy, Secretary General of the Council of the European Union; Peter Mandelson, Member of the European Commission; and Antanas Valionis, Acting Foreign Minister of Foreign Affairs of the Republic of Lithuania. In all three letters, Martynov expresses the GOB's concerns regarding a possible decision by the European Commission to withdraw trade preferences granted to Belarus under the EU's Generalized Tariff Preferences (GSP) regulations. Martynov appeals to all three for their intercession to permit Belarus more time to comply with the standards of the 1998 ILO Declaration on Fundamental Principles and Rights at Work. (See paragraphs 6 - 8 for the full text of the letters.) END SUMMARY.

¶2. (C) In the Belarusian Foreign Minister's letter to EU High Representative Javier Solana, Martynov describes the possible withdrawal of Belarus' GSP trade preferences as a "new worrisome circumstance" in EU-Belarusian relations. Martynov explains that the Belarusian people would perceive GSP withdrawal as an EU effort to punish them for what Martynov calls their "sovereign choice" during the March 19 elections.

¶3. (C) Martynov asks Solana to consider a new GOB-proposed law reforming trade unions and the decision of the ILO Geneva Conference to extend Belarus' time to implement ILO recommendations. Martynov appeals to Solana to stop what Martynov calls the "spiral of pressure" on Belarus and to "normalize" EU-Belarusian relations. Martynov's letter to European Commission Member Peter Mandelson focuses on the GOB's concerns regarding the European Commission's decision on August 17, 2005, to submit to the European Council a proposal for temporary withdrawal of trade preferences under Regulation (EC) No. 2501/2001 unless Belarus committed to conforming to the 1998 ILO Declaration on Fundamental Principles and Rights at Work. Martynov warns that an EU withdrawal of Belarus' GSP status would "trigger a chain of consequences beyond EU-Belarus trade and economic cooperation." He further predicts that the Belarusian people, particularly socially protected groups, would suffer

most from the consequences and would perceive the EU withdrawal of trade preferences so soon after March's presidential elections as politically motivated. Martynov expresses his hope that the Commission "will be guided by the same constructive spirit" as the ILO Geneva Conference.

14. (C) In his letter to Lithuania's Acting Foreign Minister Antanas Valionis, Martynov reiterates more concisely the logic of his appeals to Solana and Mandelson. Martynov argues that GSP withdrawal would not only disrupt the EU-Belarus dialogue on trade union issues but would also destroy what Martynov calls the GOB's new "painstaking" reforms of trade-union laws.

15. (C) Meanwhile, the Slovak DCM explained to the U.S. DCM that when the MFA approached them on the same subject, she suggested to the Belarusians that they send a delegation to Slovakia to see how Slovak trade unions operate. To her surprise, the MFA seemed agreeable and the Slovaks are now following up on this development. On the other hand, Head of the European Desk at the MFA Valeri Romashko told the British Ambassador to Belarus, "Who needs trade unions? The government will take care of workers' needs."

16. (C) COMMENT: EU diplomats in Minsk have told us that despite the rhetoric, member states remain divided on carrying out EU threats to withdraw GSP trade preferences for Belarus. On June 29 the Latvian and Lithuanian DCMs confirmed for Pol/Econ Chief that their governments, along with that of Poland, actively oppose the measure for political and economic reasons. The DCMs doubted the other EU countries would make a decision in favor of trade preferences withdrawal when the member states take up the issue again in September. END COMMENT

17. (C) Begin Text of FM Martynov's Letter to Solana.

His Excellency
Mr. Javier Solana
High Representative for
the Common Foreign and Security Policy,
Secretary General of the Council of

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the European Union
Brussels

Minsk, 13 June 2006

Your Excellency,

I am writing to you in the light of a possible new worrisome circumstance in the relations between the European Union and the Republic of Belarus. After the EU adopted, in the wake of the recent presidential election, measures limiting the right of a number of Belarusian citizens to the freedom of travel and infringing upon their other rights, now we are aware of appeals to withdraw trade preferences from the Republic of Belarus under the scheme of the EU generalized tariff preferences (GSP).

Let me tackle some of the most important aspects of this problem.

Above all, whichever formal arguments are presented, a withdrawal of trade preferences from Belarus will be inevitably perceived not only by the politically motivated and unfair step of the European Union, as an attempt to punish the Belarusian people for its sovereign choice made in the course of the presidential election on 19 March 2006.

A decision to deprive Belarus of the GSP status granted to quite a wide range of countries will demonstrate beyond doubt a politicized targeting of Belarus by the EU making its people a victim. It will definitely be highly detrimental to the image of the EU in the eyes and minds of the ordinary people of Belarus. The interests of the European business and consumers will also be affected by the ensuing increase

of the custom tariffs on a number of goods in demand on the European market (in particular, oil refinement products).

Improvement of legal mechanisms and practices in the trade unions sphere as well as strengthening a genuine social partnership are the mainstream directions of the State policy in the Republic of Belarus. For that purpose the Government is promulgating a new law on trade unions.

The pace of this process is being determined by the interested parties - the Government, employers' associations and trade unions - through dialogue and search for mutually acceptable solutions of existing problems. To sanction Belarus for the resulting pace of this painstaking process is hardly helpful to anyone involved.

I am sure our western partners are well aware that Belarus is consistently open to a dialogue on the trade unions matters. We have welcomed and cooperated with both the ILO Commission of Enquiry and the European Commission experts. We continue to stand ready for further cooperation.

It should also be clearly understood that granting the Belarusian side time necessary to implement the recommendations of the ILO Commission of Enquiry will allow to continue the on-going dialogue of the international bodies with the Republic of Belarus on the matter, as well as join efforts within Belarus aimed at removing the still existing disagreements in this area. To the contrary, a negative EU decision will undoubtedly adversely affect this sensitive process.

A negative decision of the EU will thus amount not only to a disruption of the EU-Belarus dialogue on trade union issues, but also a de facto destruction of the painstaking effort in Belarus to reform trade union related field via a respective new law.

I would like to particularly emphasize that, considering the geographical composition of the country's economy, withdrawal of the trade preferences will inflict the most severe damage to the socio-economic revival of the Belarusian substantially the interests of ordinary people living and working there.

In its Decision of 17 August 2005 (2006/616/EC) the European Commission announced its intention to submit to the EU Council a proposal for temporary withdrawal of the above trade preferences, unless before the end of a six-month monitoring period Belarus made a commitment to take measures necessary to conform within eight months with the principles referred to in the 1998 ILO Declaration on Fundamental Principles and Rights at Work, as expressed in the recommendations of the ILO Commission of Enquiry report of July 2004.

The Government of the Republic of Belarus has clearly undertaken the above commitment as expressed in my letter of 30 March 2006 addressed to the Member of the European Commission, Mr. P. Mandelson.

I am sure that the clear position of the Government of Belarus gives the European Commission every ground to recommend to retain the trade preferences granted to the Republic of Belarus under the EU GSP scheme and thus to provide time and an important incentive to implement the recommendation of the ILO Commission of Enquiry. Such a decision of the European Commission will undoubtedly conform to the mutual interests of Belarus and the EU as well as the expectations of trade unions to serve social and economic needs of the people of our country.

I would like to take this opportunity to draw your attention to the fact of the recent decision of the International Labour Conference in Geneva to provide the Government of Belarus with additional time to implement the ILO Commission's recommendations.

I hope the European Union will be guided by the same

constructive spirit.

The common sense suggests that the time has come to stop the spiral of pressure. In my earlier messages to you I expressed the readiness of the Belarusian side to normalize relations between Belarus and the EU. In this respect I think it is time to revert to the idea to arrange a high level meeting to discuss the future of this relationship. The details of such a meeting could be settled through the diplomatic channels.

Yours sincerely,

/S/

Sergei Martynov

End Text.

18. (C) Begin Text of FM Martynov's Letter to Mandelson.

His Excellency
Mr. Peter Mandelson
Member of the European Commission
Brussels

Minsk, 13 June 2006

Your Excellency,

The Republic of Belarus attaches serious importance to the forthcoming recommendation of the European Commission on the status of Belarus on the beneficiary country list of the trade preferences granted under Regulation (EC) No 2501/2001.

In its Decision of 17 August 2005 (2005/616/EC) the European Commission announced its intention to submit to the EU Council a proposal for temporary withdrawal of the above trade preferences, unless before the end of a six-month monitoring period Belarus made a commitment to take measure necessary to conform within eight months with the principles referred to in the 1998 ILO Declaration on Fundamental Principles and Rights at Work, as expressed in the recommendations of the ILO Commission of Enquiry report of July 2004.

The Government of the Republic of Belarus has clearly undertaken the above commitment as expressed in my letter of 30 March 2006 addressed to you, Mr. Commissioner.

In this respect we consider that it will be appropriate, while drafting the final recommendation on the issue for the forthcoming meeting of the EU GSP Committee, to take into full consideration the appeal of the Belarusian side of March 30, 2006.

I would like to share with you some thoughts and consideration on the matter.

A negative decision on Belarus' status under GSP might trigger a chain of consequences beyond EU-Belarus trade and economic cooperation. In particular, such a decision will lead above all to substantial decrease in volumes of the Belarusian trade with the EU member-states and, accordingly, will produce a dramatic impact on the ordinary people of the Republic of Belarus. First of all, its socially unprotected groups will be most affected. It is obvious that such a development will be in direct contradiction with the European Neighbourhood Policy and contrary to support of the needs of the Belarusian people, as declared by the European Union.

I would like to specially emphasize that, considering the geographical composition of the country's economy, withdrawal of the trade preferences will inflict a most severe damage to the socio-economic revival of the Belarusian territories affected by the Chernobyl disaster. It will harm directly and substantially the interests of ordinary people living and working there.

Needless to say, withdrawal of Belarus from the list of the beneficiary countries of the EU GSP will create an extremely negative image of the European Union in the Belarusian society. The interests of the European business and consumers will also be affected by the ensuing increase of the custom tariffs on a number of goods in demand on the European market (in particular, oil refinement products).

It should also be clearly understood that granting the Belarusian side time to take measures necessary to implement the recommendations of the ILO Commission of Enquiry will allow to continue the on-going dialogue of the international bodies with the Republic of Belarus on trade unions matters, as well as joint efforts aimed at removing the still existing disagreements in this area. To the contrary, and negative EU decision will undoubtedly adversely affect this sensitive process.

A negative decision of the European Commission will thus amount not only to a disruption of the EU-Belarus dialogue on trade union issues, but also a de facto destruction of the painstaking effort in Belarus to reform trade union related field via a respective new law.

A decision to exclude Belarus from the EUG SP Taken in the wake of the presidential election in Belarus in March 2006 will make abundantly evident that the EU was guided by precisely political motives.

The intentions to exert economic pressure on Belarus will also run contrary to the Budapest Memorandum on Security Assurances in Connection with the Republic of Belarus' Accession to the Non-Proliferation Treaty of 5 December 1994, to which one of the EU key members is a party.

I am sure that a clear position of the Government of the Republic of Belarus, as expressed in my letter of 30 March 2006, the willingness of the Belarusian side to constructively cooperate with the European Commission and the ILO give the European Commission every ground to recommend to retain the trade preferences granted to the Republic of Belarus under the EU GSP scheme and thus to provide time and an important incentive to implement the recommendation of the ILO Commission of Enquiry. Such a decision of the European Commission will undoubtedly conform to the mutual interests of Belarus and the EU as well as the expectations of trade unions to serve social and economic needs of the people of our country.

As you are undoubtedly aware, the international Labour Conference in session these days in Geneva has taken a decision to provide the Government of Belarus with additional time to implement the ILO Commission's recommendations.

I hope the European Commission will be guided by the same constructive spirit.

I also kindly ask you, Mr. Commissioner, to convey this letter to all Members of the European Commission.

Yours sincerely,

/S/

Sergei Martynov

End Text.

19. (C) Begin Text of FM Martynov's Letter to Valionis.

His Excellency
Mr. Antanas Valionis
Acting Minister of Foreign Affairs
of the Republic of Lithuania
Vilnius

Minsk 13, June 2006

Your Excellency,

As you are probably aware, the EU GSP Committee at its forthcoming meeting is to decide on a recommendation of the European Commission on the status of Belarus on the beneficiary country list of the trade preferences granted to our country by the EU under Regulation (EC) No 2501/2001.

The Belarusian side committed itself to undertake all possible steps to carry out the recommendations of the ILO Commission of Enquiry in accordance with the Commission Decision of 17 August 2005. The respective commitment has been expressed in my letter of 30 March 2006 addressed to the Member of the European Commission, Mr. P. Mandelson. The Belarusian side declared its readiness for further constructive cooperation with the European Commission and the ILO.

Belarus is naturally interested in the EU GSP Committee decision to provide it with a possibility to fulfill the ILO Commission of Enquiry recommendations in line with the obligation undertaken on 30 March 2006. Obviously, such a decision of the European Commission will provide the ground to continue cooperation between Belarus and international bodies on the issue of implementation of respective ILO conventions as well as conform to the mutual interests of Belarus and the EU and the expectation of trade unions to serve social and economic needs of the people of our country.

A negative decision of the EU will thus amount not only to a disruption of the EU-Belarus dialogue on trade union issues, but also a de facto destruction of the painstaking effort in Belarus to reform trade union related field via a respective new law.

A decision to exclude Belarus from the EU GSP taken in the wake of the presidential election in Belarus in March 2006 will make abundantly evident that the EU was guided by precisely political motives.

I would like to take this opportunity to draw your attention to the fact of the recent decision of the International Labour Conference in Geneva to provide the Government of Belarus with additional time to implement the ILO Commission's recommendations.

I hope the European Union will be guided by the same constructive spirit. In this respect I have sent letters to Mr. P. Mandelson and the High Representative for the Common Foreign and Security Policy, Secretary General of the Council of the European Union Mr. Javier Solana, in which I stated the approach of the Belarusian side on the matter. The copies of the letter are attached.

I count on an objective attitude and support of your country, when the above-mentioned issue is considered by the EU GSP Committee.

Yours sincerely,

/S/

Sergei Martynov

End Text.
Krol